

10 December 1981

MEMORANDUM FOR THE RECORD

SUBJECT: Secure Equipment Acquisition Policy Task Force

1. In September 1981, the Secure Equipment Acquisition Policy (SEAP) task force was created by the Director of Logistics to examine the problem of the growing foreign influence and control in the automatic data processing (ADP) industry, and the resultant impact on the Agency's acquisition of ADP equipment and services. As of this date, the task force has met seven times. The first four meetings focused on the acquisition of information on the potential threat to Agency activities. In addition, the task force chairman and selected members canvassed other similar Government agencies to determine their awareness of the problem, if they perceive such a problem to exist. Finally, selected members of the task force were charged with the preparation of a detailed statement of the threat posed by growing foreign ADP resources. At the end of this series of meetings, a threat assessment paper was produced and the task force generally concluded that no other similar federal agency was any closer to a solution or even a general statement of a policy position than the Agency and, in fact, were further behind. We also concluded that there was a definite and substantial potential threat to Agency activities posed by the utilization of foreign ADP resources.

2. The last three meetings were devoted to the preparation of an Agency policy statement on the use of foreign ADP resources, using the vehicle of an Agency Headquarters regulation. The regulation was initially prepared by the Logistics and Procurement Law Division, OGC, and transmitted to task force members in draft for critical comments, additions, revisions, and alterations. After several draft revisions, a final version was prepared (copy attached) and will be included in the task Force's final report.

3. Our final series of meetings will be devoted to the preparation and refinement of the task force's final report to the Director of Logistics for forwarding to the DCI. While the task force's charter focused primarily on the acquisition of foreign ADP resources, we recognized that this issue was intertwined with the questions of foreign ownership of businesses important to the national security and foreign technology transfer problems. The final task force report will probably identify these areas but leave any resolution to subsequent efforts.

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